



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM

SHELLY EDGERTON  
DIRECTOR

[REDACTED]  
[REDACTED]  
[REDACTED]

Date Mailed: April 11, 2018  
MAHS Docket No.: 18-001048  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Lynn M. Ferris**

**HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 42 CFR 438.400 to 438.424; 45 CFR 99.1 to 99.33; and 45 CFR 205.10; and Mich Admin Code, R 792.11002. After due notice, a telephone hearing was held on March 28, 2018, from Detroit, Michigan. The Petitioner was represented by herself. The Petitioner's Authorized Hearing Representative (AHR) [REDACTED], of [REDACTED] was called at the telephone contact number provided and several messages were left that the hearing as scheduled was ready to proceed. The AHR did not appear. The Petitioner indicated that she wished to proceed with the hearing without the AHR and signed a statement confirming same. The Department of Health and Human Services (Department) was represented by [REDACTED] [REDACTED] Hearing Facilitator.

**ISSUE**

Did the Department properly process the Petitioner's application for the Medicare Savings Program (MSP)?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Petitioner's AHR applied for Medical Assistance and Medicare Savings Program on November 8, 2017 and December 28, 2017. The Petitioner was age [REDACTED] at the time of the application and is a [REDACTED] woman. Exhibit A and Exhibit C.
2. The Petitioner completed a Health Care Coverage Supplemental Questionnaire on November 8, 2017. Exhibit B.

3. The Petitioner's MA DHS case number is [REDACTED]. The Department listed the Petitioner under another case number which was incorrect.
4. The Petitioner receives SSI from the Social Security Administration. In December 2017, the Petitioner received SSI in the amount of [REDACTED]. Exhibit E.
5. On March 5, 2018, the Department sent the Petitioner a Health Care Coverage Determination Notice advising that Petitioner was eligible for MSP effective ongoing January 1, 2018 for the Medicare Savings Program and that she was not eligible for MSP from November 1, 2017 through December 31, 2017. Exhibit D.
6. The Department Eligibility Summary indicated that Petitioner was eligible for MSP from November 1, 2017 through November 30, 2017, but not eligible for MSP for December 1, 2017 through December 31, 2017 and closed. Exhibit F. The Petitioner was eligible for ALMB category of MSP.
7. The Department did not establish that the Petitioner's information was sent to the Department Buy In Unit.
8. The Petitioner's AHR requested a timely hearing on January 19, 2018 protesting that her application for Medicare Savings Program had not been processed.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

In this case, the Department did not timely process the Petitioner's November 8, 2017 application for MSP. The Health Care Coverage Determination Notice dated March 5, 2018 advised that Petitioner was not eligible for MSP from November 1, 2017 through December 31, 2017, but was eligible as of January 1, 2018. The reasons on the Notice stated "You are not eligible MSP (ALMB) for the month tested because it is in the previous year." Exhibit D.

The Medicare Savings Programs consist of 3 categories that make up the program which are:

Qualified Medicare Beneficiaries (QMB).

This is also called full-coverage QMB and just QMB. Program group type is QMB.

2. Specified Low-Income Medicare Beneficiaries (SLMB).

SLMB called limited-coverage QMB and SLMB. Program group type is SLMB.

3. Q1 Additional Low-Income Medicare Beneficiaries (ALMB).

This is also referred to as ALMB and as just Q1. Program group type is ALMB.

There are both similarities and differences between eligibility policies for the three categories. Benefits among the three categories also differ.

Income is the major determiner of category.

QMB net income cannot exceed for a MA group size of one is \$1,025.00 (pays Medicare Premiums).

SLMB net income cannot exceed \$1,025.01 - \$1,226.00 (Pays Medicare Part B premiums)

ALMB net income cannot exceed \$1,644.01 - \$1,847.00 (Pays Medicare Part B premiums provided funding is available).

RFT 242 (April 2017) pp. 1-2.; BEM 165m (October 2016), pp. 1-2.

All MA eligibility factors must be met in the calendar month being tested.

There are also various begin dates for the 3 categories:

QMB coverage begins the calendar month after the processing month. The Processing month is the month during which an eligibility determination is made. QMB is not available for the processing months or past months. BEM 1665, p. 3

SLMB coverage is available for retro MA months and later months.

**Note:** SLMB is only available for months income exceeds the QMB limit. A person **cannot** choose SLMB in place of QMB in order for coverage to start sooner (example, to get retro MA). BEM 165, p. 4

Do **not** approve ALMB for any month that is in a previous calendar year, even if application was made in the previous calendar year.

**Example:** Application was made December 27, 2015. Eligibility was determined on January 3, 2016. ALMB **cannot** be approved for any time before January 1, 2016. BEM 165, p. 4

There is no requirement that a separate application be filed or a re-application for an MSP determination.

In order to be income eligible, the applicant's net income must be within the limits of RFT242. Income eligibility cannot be established with a patient pay amount or by meeting a deductible.

The Department was required to determine eligibility of MSP and determined that Petitioner based upon her income of [REDACTED] less the [REDACTED] unearned income general exclusion correctly determined the Petitioner's countable income to be [REDACTED] Exhibit G. Based upon this income, the Department correctly determined that Petitioner was eligible for ALMB.

The effective date for ALMB approval is governed by Department policy referenced above requiring that the Department is not to approve ALMB for any month that is in a previous calendar year, even if application was made in the previous calendar year. The following example explains when approval begins:

**Example:** Application was made December 27, 2015. Eligibility was determined on January 3, 2016. ALMB **cannot** be approved for any time before January 1, 2016. BEM 165, p. 4.

Based upon the following example, the Department correctly determined that based upon the application date of November 8, 2017, the ALMB must be approved for January 1, 2018. Based upon the Notice of Case Action provided, it correctly determined the correct approval date of January 1, 2018. Further the Department must contact the Medicare Buy In Coordinator, if it has not already done so, and the Eligibility Summary should be corrected to accurately reflect eligibility effective January 1, 2018. Exhibit F. Based upon Department policy, the Petitioner is not eligible for ALMB for November 2017 or December 2017. BEM 165, p. 4.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it approved the MSP ALMB for January 1, 2018 ongoing.

**DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

LF/tm



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**Lynn M. Ferris**

Administrative Law Judge

for Nick Lyon, Director

Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

DHHS

[REDACTED]  
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